



Lori Droste
Berkeley City Councilmember, District 8

Consent Calendar

July 28, 2020

To: Honorable Mayor and Members of the City Council
From: Councilmember Lori Droste
Subject: Support for AB 2345 (CA Density Bonus)

Recommendation:

That the Berkeley City Council send a letter supporting AB 2345, authored by Assemblymember Lorena Gonzalez and Assemblymember David Chiu which will help address California's housing crisis by expanding the state density bonus for housing developers who commit to building additional affordable units.

Financial Implications:

None.

Background:

This bill will help ensure that more affordable housing is built in California by modifying the State's existing density bonus law. AB 2345 will increase the maximum density bonus a developer can receive in exchange for committing a higher number of affordable units. AB 2345 will also allow developers to access more incentives like reduced parking requirements, setback relief and modified design requirements, if they commit to a higher percentage of affordable units.

With more than 40 percent of all California households considered cost-burdened—meaning households spend more than 30 percent of their monthly income on housing costs—AB 2345 will provide developers the incentive to build the affordable units we urgently need in California.

Environmental Sustainability: No impact

Contact Person:

Councilmember Lori Droste Council District 8 510-981-7180

Attachment 1: Draft Letter of Support

Attachment 2: Legislative Digest

July 28, 2020

The Honorable Assemblymember Lorena Gonzalez
California State Assembly
State Capitol
P.O. Box 942849
Sacramento, CA 94249

RE: Assembly Bill 2345 - CA Density Bonus - SUPPORT

Dear Assemblymembers Gonzalez and Chiu,

Berkeley City Council is pleased to support AB 2345, which will help address California's housing crisis by expanding the state density bonus for housing developers who commit to building additional affordable units.

AB 2345 will increase the maximum density bonus a developer can receive in exchange for committing a higher number of affordable units. It will also allow developers to access more incentives like reduced parking requirements, setback relief and modified design requirements, if they commit to a higher percentage of affordable units.

With more than 40 percent of all California households considered cost-burdened—meaning households spend more than 30 percent of their monthly income on housing costs—AB 2345 will provide developers the incentive to build the affordable units we urgently need in California.

By including additional incentives to the state density bonus, this legislation will help add thousands of new units to California's housing stock. For these reasons and more, Berkeley City Council is proud to support AB 2345.

Sincerely,
Berkeley City Council

CC: Assemblymember Buffy Wicks
Senator Nancy Skinner

Introduced by Assembly Members Gonzalez and Chiu

February 18, 2020

An act to amend ~~Section~~ *Sections 65400 and* 65915 of the Government Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2345, as amended, Gonzalez. Planning and zoning: density bonuses: *annual report*: affordable housing.

Existing

(1) The Planning and Zoning Law requires a city or county to adopt a general plan for land use development within its boundaries that includes, among other things, a housing element. That law requires the planning agency of a city or county to provide by April 1 of each year an annual report to, among other entities, the Department of Housing and Community Development that includes, among other specified information, the number of net new units of housing that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, as provided.

This bill would require that the annual report include specified information regarding density bonuses granted in accordance with specified law.

(2) Existing law, known as the Density Bonus Law, requires a ~~city or county~~ city, county, or city and county to provide a developer that proposes a housing development within the jurisdictional boundaries of that ~~city or county~~ city, county, or city and county with a density bonus and other incentives or concessions for the production of lower income housing units, or for the donation of land within the development, if the developer agrees to construct a specified percentage of units for very low income, low-income, or moderate-income households or qualifying residents and meets other requirements. Existing law provides for the calculation of the amount of density bonus for each type of housing development that qualifies under these provisions. Existing law specifies the number of incentives or concessions that an

applicant can receive. Existing law ~~specifies~~ *requires* that an applicant ~~shall~~ receive 3 incentives or concessions for projects that include at least 30% of the total units for lower income households, at least 15% for very low income households, or at least 30% for persons or families of moderate income in a common interest development. Existing law ~~specifies~~ *requires* that an applicant ~~shall~~ receive 4 incentives or concessions for projects in which 100% of the total units are for lower income households, as specified.

This bill, instead, would authorize an applicant to receive 3 incentives or concessions for projects that include at least 30% of the total units for lower income households, at least 12% of the total units for very low income households, or at least 30% for persons or families of moderate income in a common interest development. The bill would also authorize an applicant to receive 4 and 5 incentives or concessions, as applicable, for projects in which greater percentages of the total units are for lower income households, very low income households, or for persons or families of moderate income in a common interest development, as specified. The bill would also authorize an applicant to receive 6 incentives or concessions for projects in which 100% of the total units are for lower income households, as specified.

Existing law provides that a housing development that receives a waiver from any maximum controls on density, as specified, ~~shall not be~~ *is not* eligible for, and ~~shall not receive,~~ *prohibits such a development from receiving,* a waiver or reduction of development standards.

This bill, instead, would provide that a housing development that receives a waiver from any maximum controls on density, ~~shall only be~~ *is only* eligible for a specified waiver or reduction of development standards, unless the city, county, or city and county agrees to additional waivers or reductions of development standards.

Existing law specifies that the density bonus, or the amount of the density increase over the otherwise allowable gross residential density, to which an applicant is entitled varies according to the amount by which the percentage of affordable housing units in a development exceeds a specified base percentage for units for lower income households, very low income households, senior citizens, persons and families of moderate income, transitional foster youth, or lower income students, as specified. Existing law authorizes a maximum density bonus of 35% for a housing development in which 20% or more of the total units are for lower income households. Existing law authorizes a maximum density bonus of 35% for a housing development in which 11% or more of the total units are for very low income households. Existing law authorizes a maximum density bonus of 35% for housing developments in which 40% or more of the total units are for persons and families of moderate income.

This bill would include a maximum density bonus for a housing development in which 16% of the total units are for lower income households and would increase the maximum density bonus, to up to 50%, for construction of a housing development in which a greater percentage than that described above of total units are for lower income households, very low income households, and persons and families of moderate income, as specified.

By adding to the duties of local planning officials with respect to the award of density bonuses, this bill would impose a state-mandated local program.

~~Existing law specifies that,~~

(3) Existing law prohibits, except as provided, upon the request of a developer, a city, county, or city and county ~~shall not require from requiring~~ a vehicular parking ratio for a development that qualifies for a density bonus that exceeds specified amounts of onsite parking per bedroom. Existing law also specifies the parking ratios applicable to a development that include a maximum percentage of low-income or very low income units, that is located within $\frac{1}{2}$ mile of a transit stop, and that provides unobstructed access to the transit stop from the development.

This bill would decrease the maximum ratio of vehicular parking for developments with 2 to 3 bedrooms, as specified. This bill would define the term “natural or constructed impediments” for purposes of determining whether a development has unobstructed access to a transit stop. The bill would ~~specify~~ *require* that the measurement of the distance of a development from a transit stop ~~shall~~ be measured from any point on the property of the proposed development to any point on the property where the transit stop is located. The bill would authorize a developer to request that a city, county, or city and county not impose vehicular parking standards if the development meets specified ~~requirements,~~ *affordability requirements and either (A) provides unobstructed access to a major transit stop, as defined, or (B) is a for-rent housing development for individuals who are 62 years of age or older, and older that* will have either paratransit service or unobstructed access to a fixed bus route, as specified.

(4) Existing law requires a city, county, or city and county to adopt an ordinance that specifies how it will implement the Density Bonus Law, but provides that failure to adopt an ordinance does not relieve a city, county, or city and county from complying with that law. Existing law also authorizes a city, county, or city and county, if permitted by local ordinance, to grant a density bonus greater than what is described in the Density Bonus Law or to grant a proportionately lower density bonus than what is required by the Density Bonus Law for developments that do not meet the requirements of that law.

This bill, notwithstanding any other law, would provide that a city, county, or city and county that has adopted an ordinance pursuant to the Density Bonus Law that, as of the date immediately prior to the effective date of bill, provides for density bonuses that exceed the density bonuses required by the Density Bonus Law is not required to amend or otherwise update its ordinance to comply with the amendments made by this bill.

(5) By adding to the duties of local planning officials with respect to preparing and submitting the above-described annual report to the Department of Housing and Community Development and awarding density bonuses, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.